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Michael R. Kansler
Senior Vice President &
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March 30, 2001
IPN-01-028
JPN-01-006

U.S. Nuclear Regulatory Commission
Mail Stop O-P1-17
Washington, D.C. 20555-0001
ATTN: Document Control Desk

SUBJECT: Indian Point 3 Nuclear Power Plant
Docket No. 50-286
James A. FitzPatrick Nuclear Power Plant
Docket No. 50-333
**Status of Decommissioning Funding for
Indian Point 3 and James A. FitzPatrick Nuclear Power Plants**

- REFERENCES
1. "NRC Regulatory Issue Summary 2001-07 10CFR50.75(f)(1) Reports on the Status of Decommissioning Funds (Due March 31, 2001)," dated February 23, 2001.
 2. NRC NUREG-1307, "Report on Waste Burial Charges," Revision 9, dated September 2000.

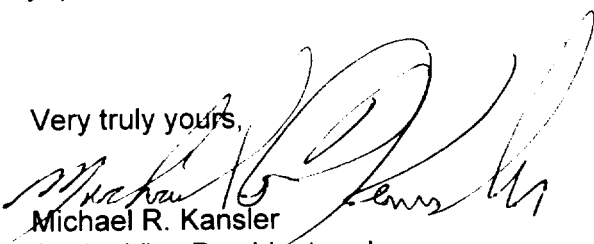
Dear Sir:

In accordance with 10CFR50.75(f)(1), each power reactor licensee is required to report to the NRC by March 31, 1999, and every two years thereafter, the status of its decommissioning funding for each reactor or share of a reactor that it owns. As per the NRC's clarification provided in its Regulatory Issue Summary (RIS), Reference 1, Attachment 1 of this submittal contains the information requested by 10CFR50.75 (f)(1) for the Indian Point 3 and James A. FitzPatrick plants. The estimated minimum decommissioning fund values for Indian Point 3 and James A. FitzPatrick were determined using the NRC's methodology as provided in NUREG-1307, Reference 2, and do not include activities such as dismantling non-radiological systems or structures nor the cost of managing and storing spent fuel onsite.

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There are no new commitments made in this letter. If you have any questions, please contact Ms. Charlene Faison at 914-272-3378.

Very truly yours,



Michael R. Kansler
Senior Vice President and
Chief Operating Officer

Attachment: As stated

cc: Regional Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Resident Inspector's Office
Indian Point Unit 3
U.S. Nuclear Regulatory Commission
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Resident Inspector's Office
James A. FitzPatrick
U.S. Nuclear Regulatory Commission
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Lycoming, NY 13093

Mr. Richard Laufer, Project Manager
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**NRC Decommissioning Funding Status Report
For Year Ending December 31, 2000**

		(\$ in Millions ¹)	
		<u>IP3</u>	<u>JAF</u>
1.	The minimum decommissioning fund estimate, pursuant to 10CFR50.75 (b) and (c) ² .	311.9	393.1
2.	The amount accumulated at market value at the end of the calendar year preceding the date of the report for items included in 10CFR50.75 (b) and (c).	319	348
3.	A schedule of the annual amounts remaining to be collected; for items in 10CFR50.75 (b) and (c).		
	Amount Remaining	0	0
	No. of years to collect	15	14
4.	The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.		
	Escalation in decommissioning costs	3% per year	
	Rate of earnings on funds	5% per year	
5.	Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(v).	None	
6.	Any modifications to a licensee's current method of providing financial assurance occurring since the last submitted report.	No Change	

**NRC Decommissioning Funding Status Report
For Year Ending December 31, 2000**

7. Any material changes to the trust agreements.

- On November 1, 2000, Blackrock Financial Management replaced Dresdner RCM and Tattersall Advisory Group replaced Strong Capital Management as the fixed income managers.
- The Master Decommissioning Trust was amended on November 21, 2000 when the Indian Point 3 and James A. FitzPatrick nuclear plants were sold to Entergy. The investment guidelines were amended to allow an increase to 35% the percentage of the portfolio which may be invested in equity index funds, and provided for additional controls to the NRC over the Trust Agreement, the disbursement of funds, NYPA and the fund Trustee.

¹ In 2000 dollars.

² The NRC methodology provided in 10CFR50.75(c) encompass only those decommissioning cost incurred by licensees to remove a facility or site safely from service and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license.